

DISPOSITIVE ORDER

SEE COMPANION ORDERS

ANNE MILGRAM
ATTORNEY GENERAL OF NEW JERSEY
Division of Law
174 Halsey Street
Box 45029
Newark, New Jersey 07102
Attorney for Plaintiff

SUPERIOR COURT OF NEW JERSEY
CHANCERY DIVISION – COUNTY OF
MONMOUTH
Docket No. C-49-08

ANNE MILGRAM,
Attorney General of New Jersey,
on behalf of MARC B. MINOR,
Chief of the New Jersey
Bureau of Securities,

Plaintiff,¹

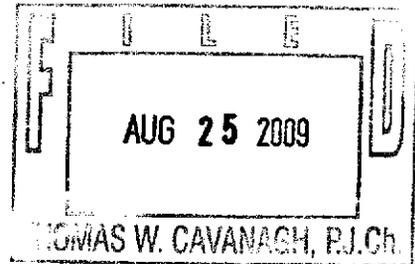
v.

JAMES HANKINS, JR.,
Individually, and as a Director, Officer and/or
Member of
The Hankins Group, Ltd.,
Hankins Private Client Group, L.L.C. and
Hankins Life Settlement LLC;
THE HANKINS GROUP, LTD., a Nevada
corporation;
HANKINS PRIVATE CLIENT GROUP,
L.L.C., a New Jersey limited liability
company;
HANKINS LIFE SETTLEMENT L.L.C., a
New Jersey limited liability company; and
DINA HANKINS, Individually,

Defendants.

Civil Action

**CONSENT ORDER AND FINAL
JUDGMENT AGAINST RELIEF-
DEFENDANT DINA HANKINS**



Decision & Findings of the Court were
set forth on the record on 3/19/09 (hearing)
and on 8/20/09 (findings
and conclusions
also on 8/25/09.

¹ In accordance with R. 4:34-4, the caption has been revised to reflect that Marc B. Minor is now the Chief of the New Jersey Bureau of Securities.

¹
Telephone conference held on 7/27/09.
all attys. agreed that this order should
be signed - even though no original
signatures.

This matter was presented to the Court by Anne Milgram, Attorney General of New Jersey, on behalf of the plaintiff, Marc B. Minor, Chief of the New Jersey Bureau of Securities, ("Plaintiff" or the "Bureau Chief"), (Deputy Attorney General Samuel Scott Cornish appearing) under the Uniform Securities Law (1997), N.J.S.A. 49:3-47 et seq. (the "Securities Law") against the above defendants, including Relief-Defendant Dina Hankins ("Relief-Defendant Dina Hankins") (Kevin Riordan, Esq. appearing); and the Court having appointed Thomas W. Halm, Esq. as the receiver ("Receiver") (Joseph R. McCarthy, Esq. appearing) of the assets and businesses of certain defendants. Now, under R. 4:42-1 and through this Consent Judgment, the Bureau Chief, the Receiver, and Relief-Defendant Dina Hankins (the "Parties") seek to resolve the entire case and controversy against Relief-Defendant Dina Hankins, with her neither admitting nor denying violating the Securities Law. Separately, this Consent Judgment serves as an order resolving any and all claims among Relief-Defendant Dina Hankins and the Receiver in connection with an action captioned Halm v. Hankins, et al., pending in Monmouth County Superior Court, Law Division, Docket No. MON-L-864-09 (the "Collateral Action"). With the Honorable Thomas W. Cavanagh, Jr. finding that all parties and parties-in-interest have received notice, and that good cause was shown,

IT IS on this 25th day of AUGUST 2009 ORDERED AND FOUND that:

DISGORGEMENT/RESTITUTION

1. Relief-Defendant Dina Hankins must disgorge the sum of \$275,000.00 pursuant to N.J.S.A. 49:3-69 for restitution to investors. Relief-Defendant Dina Hankins must pay the \$275,000.00 under this paragraph with a certified bank check or a check issued from an attorney trust account payable to "Thomas W. Halm, Esq. as Receiver in Milgram v. Hankins, Docket No. C-49-08" by no later than June 30, 2010.

FINAL JUDGMENT

2. Final judgment is hereby entered against Relief-Defendant Dina Hankins in favor of the Bureau Chief and the Receiver on all of their respective claims alleged in this action and the Collateral Action in the amount of \$275,000.00. In connection with same, Relief-Defendant Dina Hankins shall execute and deliver to the Receiver a Mortgage (as such term is hereinafter defined) on certain real property commonly known as 107 Maple Avenue, Island Heights, New Jersey (the "Island Heights Property"), and the contents thereof as memorialized in a certain appraisal obtained by the Receiver dated April 9, 2009 (the "Personal Property"). This final judgment constitutes a non-dischargeable debt or claim under the United States Bankruptcy Code, including but not limited to 11 U.S.C. § 523 (a)(19) and (a)(6) respectively.

THE PARTIES FURTHER AGREE THAT:

ADDITIONAL STIPULATIONS

3. The following Exhibits, which are attached hereto, are fully incorporated into this Consent Judgment:

- a. The "Mortgage and Security Agreement" (the "Mortgage"), attached hereto as Ex. A;
- b. The "Deed In Lieu of Foreclosure" (the "Deed In Lieu"), attached hereto as Ex. B;
- c. The "UCC-1 Financing Statements" (the "UCCs"), attached hereto as Ex. C;
- d. The "Escrow Agreement," attached hereto as Ex. D; and

e. The "Financial Disclosure Certification,"² attached hereto as Ex. E.

The description of the Exhibits in this Consent Judgment shall not affect the Exhibits' terms or create ambiguities. Upon entry of this Consent Judgment, the Mortgage and Deed In Lieu are fully executed and enforceable agreements; if the Consent Judgment has not been entered by the Court by no later than August 15, 2009, the Parties may individually elect to withdraw the application for entry of this Consent Judgment and rescind the Mortgage and Deed In Lieu.

4. Within thirty (30) days from this Consent Judgment's entry and with notification to the Bureau Chief and the Receiver, Relief-Defendant Dina Hankins obtain a proposed listing agreement and a marketing plan for the sale of the Island Heights Property from a real estate agent of her choosing (which real estate agent is reasonably acceptable to the Bureau Chief and the Receiver). Within sixty (60) days from this Consent Judgment's entry, if the aforesaid listing agreement and marketing plan is acceptable to the Bureau Chief and Receiver, Relief-Defendant Dina Hankins must enter into said listing agreement provided that: (i) it may be cancelled at anytime without recourse to the real estate agent if Relief-Defendant Dina Hankins obtains an alternative, permissible means to satisfy the this final judgment, including but not limited to a refinance of the mortgage liens on the Island Heights Property; and (ii) permits the Receiver to communicate directly with the real estate agent, and directs the real estate agent to provide the Receiver with any information he requests that Relief-Defendant Dina Hankins is entitled to under the agreement. Relief-Defendant Dina Hankins hereby agrees that any and all information related to the marketing and/or sale of the Island Heights Property will be shared

² Relief-Defendant Dina Hankins may supersede the original Financial Disclosure Certification, dated June 24, 2009, with an amended or modified version at anytime before July 1, 2009; the modified or amended Financial Disclosure Certification shall supersede the original Certification for all purposes under this Consent Judgment.

among the Receiver and Bureau Chief, and that the real estate agent will be authorized to disclose same to the Bureau Chief and/or the Receiver.

5. If the real estate agent selected by Relief-Defendant Dina Hankins (after consultation with the Bureau Chief and the Receiver) proposes a listing price for the Island Heights Property that is unacceptable to either the Bureau Chief or the Receiver or, at a later date, a revised listing price is proposed that is unacceptable to the Bureau Chief or the Receiver, then the Receiver or Bureau Chief may move before this Court to: (a) modify this Consent Judgment; or (b) vacate this Consent Judgment thereby terminating this settlement and compromise, returning the Parties to their positions prior to its entry, and permitting them to assert any claims against and seek any and all remedies relating to the actions, disputes, and claims resolved through this Consent Judgment.

6. If Relief-Defendant Dina Hankins receives an offer on the Island Heights Property, she must immediately convey same to both the Bureau Chief and the Receiver. If same is a bona fide offer from an "acceptable" third party (see infra ¶ 8), and the Bureau Chief, the Receiver, and Relief-Defendant Dina Hankins agree to accept the offer Relief-Defendant Dina Hankins will accept the offer and proceed through the sale and closing processes expeditiously. In the event that the offer is not acceptable to any one or more of the Parties for any reason, the party seeking to accept the offer may file an application with this Court for an order directing acceptance and the sale based on a showing that the offer approximates the fair market value of the Island Heights Property.

7. All of the proceeds from the sale of the Island Heights Property, excluding closing costs as stated on the HUD-1 Closing Statement, shall be transferred directly to the trust account of the Receiver. Within ten (10) business days from the date that the proceeds from the

sale of the Island Heights Property are transferred to the trust account of the Receiver (and assuming that there are no competing claims from any other party to be adjudicated to the balance of the sales proceeds of the Island Heights Property), he shall transfer to Relief-Defendant Dina Hankins any excess sale proceeds after his deduction of the amount necessary to satisfy the Consent Judgment.

8. The Parties understand that, in addition to listing the Island Heights Property for sale, Relief-Defendant Dina Hankins will also attempt to fully or partially satisfy this final judgment through alternative means, including but not limited to refinancing the mortgage liens on the Island Heights Property or applying for a home-equity line of credit secured by the Island Heights Property. In the event that Relief-Defendant Dina Hankins is able to obtain such alternative financing, she will immediately disclose to the Bureau Chief and the Receiver all persons and/or entities that directly or indirectly provide her with said funds or assist her in obtaining said funds used to satisfy this Consent Judgment, including, but not limited to, those persons that act as co-signors, guarantors and/or pledge collateral on behalf of Relief-Defendant Dina Hankins. The Receiver and/or Bureau Chief may require such person and/or entity to furnish within thirty (30) days, or such additional time as agreed to by the Parties, proof of the source of said funds, including but not limited to a Certification or Affidavit detailing the source of said funds, financial records, tax records, statements of account, and payment histories. The Receiver and Bureau Chief's request for proof of the source of funds, as contemplated in the immediately-preceding paragraph, shall occur within thirty days (30) of Relief-Defendant Dina Hankins' written notice to them of her intent to exercise her rights under this paragraph. Upon receipt and review of the foregoing, the Receiver and Bureau Chief may refuse, in their sole and absolute discretion, to accept said funds if they determine that (a) accepting the funds violates

public policy and/or the policies and objectives of the Bureau and/or (b) if accepting funds would harm the interests of the creditors of the Receivership, and shall provide ten (10) day notice to the Relief-Defendant Dina Hankins of their determination. If neither the Receiver nor the Bureau Chief object to the source of funds, Relief-Defendant Dina Hankins must exercise her best efforts in a good-faith manner to expeditiously obtain said funds and transfer them to the Receiver with a certified bank check or a check issued from an attorney trust account payable to "Thomas W. Halm, Esq. as Receiver in Milgram v. Hankins, Docket No. C-49-08."

9. If Relief-Defendant Dina Hankins fails to satisfy the \$275,000.00 final judgment by June 30, 2010, the Bureau Chief and Receiver may: (a) exercise their rights under the Escrow Agreement and release the Deed In Lieu from escrow, thereby obtaining title to the Island Heights Property, and sell, dispose, or control the Island Heights Property in the best interest of the Receivership as permitted under this Court's orders and applicable law; and/or (b) enforce their rights under the Mortgage and/or UCCs through any means permitted under law, including a foreclosure action or replevin action. Paragraph seven shall apply to the proceeds from the sale of the Island Heights Property under this paragraph.

10. In consideration for the Bureau Chief and the Receiver's agreement to extend the date to satisfy the final judgment to June 30, 2010, Relief-Defendant Dina Hankins acknowledges, agrees, and commits that, by executing this Consent Judgment, she hereby (a) waives all rights to seek a stay from a court of competent jurisdiction of the release of the Deed In Lieu from escrow and from its recording with the appropriate county clerk's office; (b) agrees to promptly vacate the Island Heights Property on or before June 30, 2010, leaving same in broom clean condition; (c) waives all rights to oppose any request to evict her from the Island Heights Property in the event that she fails to vacate the Island Heights Property on or before

June 30, 2010, or seek a stay of eviction; and (d) agrees not to file a bankruptcy petition within ninety one days of the entry of this Consent Judgment.

11. In the event that Relief-Defendant Dina Hankins intends on filing a bankruptcy petition under the United States Bankruptcy Code prior to June 30, 2010, she must notify the Bureau Chief and Receiver of said intention by facsimile or electronic mail to counsel for the Bureau Chief and Receiver at least five (5) business days prior to said filing, and the receipt of such notice shall automatically release the Deed In Lieu from escrow. Under the Escrow Agreement, if an involuntary bankruptcy petition is filed against Relief-Defendant Dina Hankins or she files a petition without providing notice to the Bureau Chief and Receiver prior to June 30, 2010, the Deed In Lieu shall be deemed to have been automatically released from escrow three (3) business days prior to the petition's filing.

12. In addition to any Events of Default provided for in the Mortgage and/or Escrow Agreement (which are incorporated herein as if set forth with specificity), any of the following constitutes a "Triggering Event": (a) discovery by the Bureau Chief or Receiver that any material information provided by the Relief-Defendant Dina Hankins in the Financial Disclosure Certification is intentionally inaccurate; (b) discovery by the Bureau Chief or Receiver that any material information provided by the third party financing source pursuant to paragraph eight herein is intentionally or recklessly inaccurate; (c) Relief-Defendant Dina Hankins' violation or breach of any term or representation in this Consent Judgment; (d) the filing of a bankruptcy petition by or on behalf of Relief-Defendant Dina Hankins within ninety one days of the entry of this Consent Judgment; (e) the filing of any proceeding or litigation (e.g., adversary proceeding in a bankruptcy court or otherwise) against the Bureau Chief or Receiver that seeks to affect the Bureau Chief and/or Receiver's rights or benefits under this

Consent Judgment in any manner whatsoever; and/or (f) the determination by any court or tribunal that any aspect of this Consent Judgment is a non-dischargeable debt, or subject to modification.

13. Upon any Triggering Event, the Bureau Chief or Receiver may: (a) commence an action in any court to enforce this Consent Judgment and collect the unpaid amount of the final judgment; (b) move to vacate, or commence an action to rescind this Consent Judgment thereby terminating this settlement and compromise, returning the Parties to their positions prior to its entry, and permitting them to assert any claims against and seek any and all remedies from Relief-Defendant Dina Hankins relating to the actions, disputes, or claims resolved through this Consent Judgment; (c) exercise their rights under the Escrow Agreement and release the Deed In Lieu from escrow, thereby obtaining title to the Island Heights Property, and sell, dispose, or control the Island Heights Property in the best interest of the Receivership as permitted under this Court's orders and applicable law; and/or (d) take any action permitted by law.

14. In the event that the Bureau Chief or Receiver assert rights under paragraph thirteen, which they may or may not do in their sole discretion, Relief-Defendant Dina Hankins: (a) shall not assert any defenses based on jurisdiction, lack of standing, statutes of limitations, or statutes of repose, all of which are defenses Relief-Defendant Dina Hankins hereby waives; (b) shall, if requested to do so, consent to have this Consent Judgment vacated or rescinded; and (c) shall be responsible for reasonable attorneys' fees and costs owed to the Bureau Chief or the Receiver for having to take such actions.

15. In the event that the Bureau and Receiver disagree on how and whether to exercise the enforcement and other rights under this Consent Judgment, including under

paragraphs nine and thirteen, they may request guidance from the Court through a formal or informal request, as appropriate and lawful.

16. In exchange for the consideration herein, Relief-Defendant Dina Hankins agrees not to, and hereby waives her right to, file a bankruptcy petition during the ninety-day period following entry of this Consent Judgment. Relief-Defendant Dina Hankins hereby: (a) agrees and concedes that this Consent Judgment is a non-dischargeable debt under the United States Bankruptcy Code (including under 11 U.S.C. § 523 (a)(6), (a)(7), (a)(19)); and (b) agrees not to, and waives her right to argue, submit, propose, seek to establish or otherwise contend before any court or tribunal that this Consent Judgment is a dischargeable debt or claim under the United States Bankruptcy Code.

17. Upon the Receiver's receipt of the \$275,000.00 (or a portion) under this Consent Judgment, the Bureau Chief's rights to the tendered funds shall be deemed automatically assigned to the Receiver, who will distribute them in accordance with this Consent Judgment, other Orders of this Court, and the law. If after cessation of the Receivership the Bureau Chief receives assets or rights under this Consent Judgment, the Bureau Chief shall distribute them in accordance with the law.

18. One hundred percent (100%) of the funds obtained under this Consent Judgment shall be earmarked for and solely distributed to the creditors of the Receivership that purchased the promissory notes sold by defendants JAMES HANKINS, JR., Individually, and as a Director, Officer and/or Member of The Hankins Group, Ltd., Hankins Private Client Group, L.L.C. and Hankins Life Settlement LLC; and/or THE HANKINS GROUP, LTD., a Nevada corporation; and/or HANKINS PRIVATE CLIENT GROUP, L.L.C., a New Jersey limited liability company; and/or HANKINS LIFE SETTLEMENT L.L.C., a New Jersey limited

liability company;, subject to the Receiver's ability to seek the costs of the receivership estate from same.

19. In exchange for the consideration herein, all claims and causes of action that the Bureau Chief asserted against Relief-Defendant Dina Hankins are hereby fully resolved and settled, except those claims based on assets or funds that: (i) Relief-Defendant Dina Hankins and/or her child have or acquire an interest in; and (ii) are not specifically delineated in the Financial Disclosure Certification; and (iii) are traceable to the Securities Law violations alleged in the Amended Verified Complaint.

20. All claims and causes of action that the Receiver asserted against Relief-Defendant Dina Hankins in the Collateral Action or could have asserted in connection with Relief-Defendant Dina Hankins' Proof of Claim are hereby fully resolved and settled.

21. Relief-Defendant Dina Hankins releases the Receiver and any professionals of the Receiver from any and all claims, both known and unknown, that she could have asserted based on their conduct in this case.

22. Relief-Defendant Dina Hankins waives her right to seek recovery based on any claims, including known, unknown, and unvested claims, from the assets of the Receivership and from participating in any distribution of the Receivership's assets, except to the extent contemplated in Mortgage and Deed In Lieu Agreements.

23. Relief-Defendant Dina Hankins promises to exercise her best efforts to preserve the value of the Island Heights Property, and avoid diminishing its value through neglect. Relief-Defendant Dina Hankins promises to avoid actions or inactions that could increase the secured claim of the first mortgagee of the Island Heights Property, or to allow any party to obtain a tax lien or tax-sale certificate on the Island Heights Property.

GENERAL PROVISIONS

24. This final judgment is immediately enforceable against Relief-Defendant Dina Hankins.

25. The Parties are entering into this Consent Judgment to resolve their dispute, avoid further burdens and costs of litigation, and prevent further depletion of the Receivership's assets. The Parties stipulate and agree to all of the terms of this Consent Judgment, which were negotiated, jointly drafted, and carefully reviewed with the aid of counsel.

26. This Court shall retain jurisdiction to enforce this Order.

27. New Jersey law governs this Consent Judgment for purposes of interpretation and enforcement.

28. The Parties represent that an authorized representative of each has signed this Consent Judgment with full knowledge, understanding and acceptance of its terms and that this person has done so with authority to legally bind the respective party.

29. As used in this Final Judgment and Consent Order, the plural shall include the singular and the singular shall include the plural. In addition, "or" and "and" shall be interpreted conjunctively.

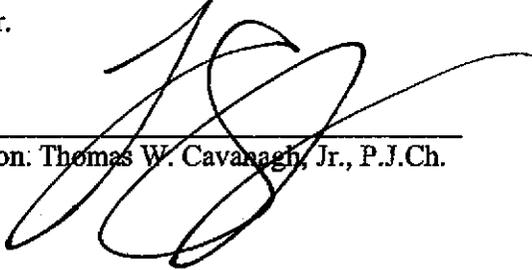
30. Nothing herein shall be construed to limit the authority of the Attorney General to protect the interests of the State or the people of the State.

31. If any portion of this Consent Judgment is rendered invalid or unenforceable, the remaining terms and provisions shall remain in full force and effect, unless the portion rendered invalid or unenforceable is a material term.

32. Unless otherwise prohibited by law, any signatures by the parties required for entry of this Final Judgment and Consent Order may be executed in counterparts, each of

which shall be deemed an original, but all of which shall together be one and the same Final Judgment and Consent Order.

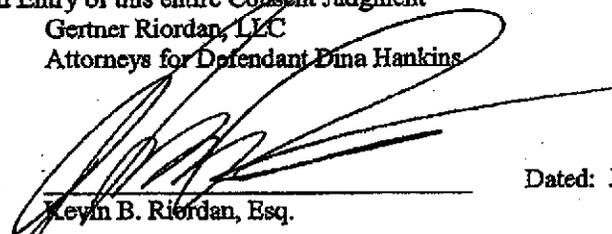
33. The Final judgment shall be served on all parties within 10 days of Plaintiff's counsel's receipt of the signed Order.



Hon. Thomas W. Cavanagh, Jr., P.J.Ch.

CONSENT OF PARTIES

Consent to the Form, Content,
And Entry of this entire Consent Judgment
Gertner Riordan, LLC
Attorneys for Defendant Dina Hankins

By: 
Kevin B. Riordan, Esq.

Dated: June 23, 2009

Consent to the Form, Content,
And Entry of this entire Consent Judgment
ANNE MILGRAM
ATTORNEY GENERAL OF NEW JERSEY
Attorney for Plaintiff

By: 
Samuel Scott Cornish
Deputy Attorney General

Dated: June 23, 2009

Consent to the Form, Content,
And Entry of this entire Consent Judgment
Hill Wallack LLP
Attorneys for the Receiver

By: _____
Thomas Halm, Esq.

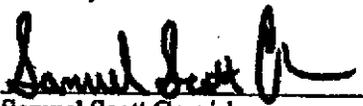
Dated: June __, 2009

CONSENT OF PARTIES

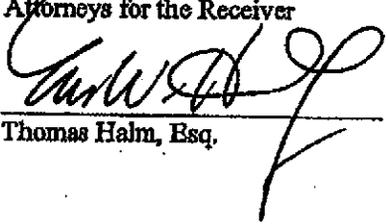
Consent to the Form, Content,
And Entry of this entire Consent Judgment
Gertner Riordan, LLC
Attorneys for Defendant Dina Hankins

By: _____ Dated: June __, 2009
Kevin B. Riordan, Esq.

Consent to the Form, Content,
And Entry of this entire Consent Judgment
ANNE MILGRAM
ATTORNEY GENERAL OF NEW JERSEY
Attorney for Plaintiff

By:  _____ Dated: June 23, 2009
Samuel Scott Cornish
Deputy Attorney General

Consent to the Form, Content,
And Entry of this entire Consent Judgment
Hill Wallack LLP
Attorneys for the Receiver

By:  _____ Dated: June 23, 2009
Thomas Halm, Esq.